

FOR OFFICIAL USE ONLY

## CPW Report No. 14-A -- COMMUNIST CHINA

(Mar. 17-23, 1952)

DATE PUBLISHED:

THIS IS UNEVALUATED INFORMATION

SOURCE: Monitored Broadcasts

## CONTENTS

ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY.....	1
RESISTANCE TO DRIVE.....	3
CASES OF CORRUPTION.....	5
ECONOMIC PROBLEMS.....	7
WAR PROBLEMS.....	11
LAND REFORM.....	13
MISCELLANEOUS.....	14

## ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY

Progress of Drive. A few stations in the Northeast continued to broadcast promotional material. Anshan reported (Mar. 21) that a full broadcast of the city's fourth anticorruption rally had been made, when 109 tigers were exposed and 14 arrests made. "As a result of their brilliant achievements in promoting the drive," 36 shop clerks and workers had been admitted to membership in the Youth Corps at a special ceremony Mar. 8. Dairen announced (Mar. 17) that students in the Dairen-Port Arthur area Cultural Institute had been studying documents concerning the drive, and had made 700 accusations. Chinchow stated (Mar. 17) that 85 youths had become members of the Youth Corps as a reward for their anticorruption work. Youths had reported 16,000 cases of corruption among merchants.

Some reports of confession and accusation meetings also still were being broadcast, principally in the Northeast or the Shanghai area. Anshan announced (Mar. 21) that the Hsinchien Company held a rally Mar. 18, when Ling Pao-shan and Chang Chi-fu confessed to corruption amounting to 100 million yuan, while Chin Shou-chi and Wang Kuo-fu were pardoned following their confessions and "ordered to join the tiger-hunting team." Dairen stated (Mar. 19) that workers in the Dairen office of the Railway Administration rounded up 76 tigers "after studying the weaknesses of tigers." Chinchow reported (Mar. 23) that nine corrupt elements who confessed had been given "only administrative and disciplinary punishment," but one who was obdurate had been sent to prison. Tsinan said (Mar. 21) that the Austerity Committee had "cautioned and pardoned" minor

- 2 -

corrupt elements in Hsuehchow, but that 80 industrial firms had been accused of 15 billion yuan in tax evasions, and orders for their punishment had been issued "according to their confessions."

Hangchow reported (Mar. 17) that at a rally Mar. 15 called by the Tax Bureau corruption had been confessed totaling 5.6 billion yuan, 40 ounces of gold, 51 silver dollars, and 5 tan of rice. Wu Yeh-nung confessed to 100 million yuan of corruption "when his wife prevailed upon him." The Hangchow Post Office held a rally recently, when 144 letters of accusation were received and dependents of cadres and officials took part. Chen Chang-ning was accused of selling Government gasoline and auto parts, Chang Miao-ti was pardoned, and Li Ping-huan was arrested for refusal to confess. Hangchow said (Mar. 23) that the Austerity Committee of the local branch of the People's Bank had held two confession rallies recently, when in appreciation of the "lenient policy toward confessed corrupt elements," the latter had returned 500 million yuan, 718 ounces of gold, and 2,953 ounces of silver. Liu Wu-jen, who returned 5 million yuan and promised 4 million more; Ho Fan-chang, who returned one ounce of gold and 250 silver dollars; and Shen Chang-chi were pardoned. Tu Cheng-neng was arrested for refusing to confess. Kunming announced (Mar. 18) that light industry workers in the city had made 20,000 accusations during the drive.

Urge to Continue Drive. Anshan (Mar. 17) quoted from an article in the TUNGPEI JIH PAO: "Do not stop the antiwaste, anticorruption, antibureaucracy drive until a complete victory is achieved." The editorial called upon the masses to continue "fearlessly to expose" corrupt elements, and not cease the drive until all corrupt elements had been rounded up. Shanghai said (Mar. 17) that an editorial in the CHIEH FANG JIH PAO commented on the necessity of pushing the drive to a successful finish, while another editorial criticized the SUNAN JIH PAO for failure to carry out a directive of the East China Party Committee calling for greater efforts in ferreting out corruption. Shanghai stated (Mar. 23) that at a meeting called by the Austerity Committee to review the progress of the anticorruption drive, Mayor Chen I promised "dire punishment for those who refused to cooperate"; leniency for those who did cooperate; and pointed out that the purpose of the drive was "not to wipe out capitalism, but to force capitalists to cooperate peaceably with workers in national reconstruction." He also ordered merchants to "continue normal business operations during the drive."

Hofei reported (Mar. 19) that the Pengpu, Anhwei, Austerity Committee had issued two directives during March calling upon the masses to "promote the drive earnestly," and to continue to report corrupt elements, as "many have not yet been exposed." Wuhsi reported (Mar. 21) that the Wuhsien Youth Corps had called a rally to promote the drive. Kaifeng declared (Mar. 21) that the Party Secretary in the Nanyang Special District, Honan, had reported the "successful conclusion of the first stage of the drive," and the beginning of the second tiger hunt. Canton announced (Mar. 17) that the delegation of Chinese Volunteers touring China had sent a letter to the Canton Shop Clerks Union asking them fearlessly to carry out the anticorruption drive, and the shop clerks had replied that they would "track down all corrupt merchants." Kunming reported (Mar. 19) that Kunming shop clerks held a rally attended by 15,000 to "hear reports on the progress of the drive." At the rally the chairman of the Yunnan Women's Federation urged women to expose corrupt elements, "and prevail upon their corrupt husbands to confess."

Steps to Close Drive. Shanghai reported (Mar. 18) that the Nanking local Government had held a meeting recently to implement the Central Government directive on the disposal of remaining corruption cases, and "welcomed" the opportunity to dispose of cases not already adjudicated. Shanghai said (Mar. 22) that shop clerks in Nanking were making a careful check of confessions, exposing merchant Hsu Chung-fa for making a false confession, and already 92 percent of the cases in the city had been adjudicated.

Hangchow announced (Mar. 17) that local clerks had organized 14 teams consisting of 900 persons to adjudicate remaining cases. Clerks were checking on confessions, and merchants who made accurate ones were being permitted to resume normal business operations. Hangchow said (Mar. 19) that the Chekiang Department of Agriculture and Forestry held a rally Mar. 17 to discuss the Central Government directive for settlement of corruption cases and to "give corrupt elements a last chance to confess." Hangchow stated (Mar. 22) that the local Austerity Committee had completed its adjudication of all outstanding cases of corruption, classifying all business firms as

law-abiding, semi-law-abiding, and illegal. Hangchow added (Mar. 23) that in a silk trade rally of 3,000 persons it was announced that 1,000 corruption cases involving 38 billion yuan had been settled.

Yangchow reported (Mar. 19) that the offices of the North Kiangsu Administration called a meeting Mar. 18 and pardoned 16 persons guilty of corruption amounting to 10 million yuan or more each; pardoned 10 others guilty of more serious violations; pardoned merchant Wang Pu-chiang after he repaid 280 million yuan; and arrested Chu Kung-hua after he still refused to confess. Yangchow added (Mar. 23) that the "five anti's" drive had reached the "stage of disposition of industrial and commercial firms according to classification." Nantung reported (Mar. 20) that the local Austerity Committee had called a meeting of businessmen to dispose of remaining cases; pardoned 1,098 firms upon their promise to reform; ordered a close investigation of 12 firms because of their refusal to confess; and arrested Lu Hsiao-seng for refusal to confess. Wuhsi stated (Mar. 17) that the Austerity Committee was disposing of the 100,000 accusations as rapidly as possible. Wuhsi said (Mar. 20) that in Wuhsien merchants were being given a chance to confess. Wang Tzu-kang of the People's Bank was pardoned when he exposed members of his family.

Wuhan announced (Mar. 17) that the anticorruption drive had been ordered ended by the South China Bureau of the Communist Party, the South China office of the Central and South China Military and Administrative Committee, the Kwangtung Government, and the Canton Government, but cadres had been warned that they still were complacent, condoned corrupt elements, and must change their attitude. Wuhan said (Mar. 17) that in Huangkang Hsien minor offenders had been pardoned; 32 corrupt merchants had made settlement; and Wei Hai-ching and Ma Hsin-chi had been arrested for refusing to confess. Wuhan reported (Mar. 20) that in Changsha, Hunan, pardons had been granted 130 firms accused of corruption, while Yang Te-cheng was arrested on serious charges of corrupting cadres and speculating with Government money.

Sian announced (Mar. 19) that in the city 16,750 firms accused of corruption had had their cases adjudicated according to classification, with the law-abiding and semi-law-abiding firms ordered to resume business immediately. Arrests were ordered for a list of major violators for obstructing the drive and refusing to confess. Peking announced in numeral code (Mar. 17) that in Chu 11, Tientsin, managers and workers in 17 hardward factories, "where the drive has ended," held a meeting.

Kunming said (Mar. 19) that in the light industries a meeting was held Mar. 14 to settle outstanding cases against corrupt elements. Kunming added (Mar. 22) that shop clerks had met, "demonstrated their support" for the Central Government directive on adjudication of corruption cases, and called upon merchants to confess immediately if they hoped for leniency. Kunming reported (Mar. 23) that workers in the transport trade met to adjudicate 100 cases; pardoned minor cases and that of Liu Chung, accused of transporting 13,000 ounces of opium; and arrested Li Ming and others who refused to confess.

Tsinan (Mar. 21) reported the meeting of the city Consultative Council, when it was announced that Tsinan corruption in 1951 reached 184.2 billion yuan, half the city's tax income and enough to build five textile plants. It also was announced that another 347 cases of corruption had been adjudicated. Mukden stated (Mar. 23) that local Cotton Mill No. 7 of the China Cotton Textile Company had placed processing orders with 700 textile mills and 27 dyeing plants, and that private industry had been told that "as long as it remains law-abiding, it will receive equal treatment with State enterprises."

#### RESISTANCE TO DRIVE

Capitalist Infiltration. Shanghai said (Mar. 21) that the attempts of some businesses to recover and increase production had failed, and they had "closed down because of the attacks of the capitalist class." (Li Tei-chieh), owner of the (Chouta) Factory, and (Wang Li-tei), owner of the (Chienkuo) Factory, organized a corruption group including 40 cadres and group managers through the "use of money, women, and expensive entertainment," and controlled the entire Tsingtao Warehouse Control Bureau, resulting in Government losses of 4 billion yuan and illegal profits of one billion for the corrupt ring. (Chang Yu-lai), woolen materials capitalist, became a section chief in the East China Preservation Bureau, where he stole economic information and connived with merchants to substitute bad materials for good. His activities were the cause of bad results with the "Ho Chien-hsiu" method in textile factories.

Kaifeng reported (Mar. 20) that Yang Hsin-wen, cadre in the Hsueh Chang Cooperative, Honan, was an agent of capitalists, and connived with them to defraud the Government on purchase contracts. Wuhan announced (Mar. 17) that Chang Tzu-mei, trade union leader, had been expelled from the union when it was disclosed he was an agent of the capitalists.

Obstructionist Tactics. Chinchow reported (Mar. 22) that senior clerks had accused Chao Yung-cheng and Wang Hai-chao of corrupting cadres, embezzling Government property, and forming mutual alliances. Shanghai stated (Mar. 20) that Yin Chung-ken, manager of the Hangchow office of the Inland River Transport Company, had been removed from office and expelled from the Party because he lived a life of extravagance, formed mutual alliances with corrupt merchants, obstructed the anticorruption drive, and refused to show his books to inspectors. Hangchow reported (Mar. 23) that Chen Tzu-chung of the Chekiang Land Office had been accused of corruption and expelled from the Party for refusing to confess and intimidating Yang Tzu-min with a gun to prevent his confessing.

Yangchow asserted (Mar. 17) that Wu Wen-chang, Nantung merchant, had closed down his business to oppress the clerks who accused him of tax evasion. Yangchow added (Mar. 23) that the managers of the Huamei and Wanhsiang Medicine Shops falsified in filling out "five anti's" forms, but were exposed by the workers. Kaifeng announced (Mar. 21) that Honan Party Committee Chairman Shen Shao-seng had been named head of the Shenchou Austerity Committee, replacing Chairman Liu Shao-nan and Deputy Chairman Ken Chung-chi, "because the latter were found to be corrupt and unwilling to promote the antiwaste, anticorruption, antibureaucracy drive." Huainan stated (Mar. 20) that Pan Chi-chi, deputy chief of the Huainan Mining Administration Finance Bureau, had been removed "at the demand of the workers" because he obstructed the anticorruption drive.

Nanchang reported (Mar. 17) that Chen Ming-shan, transport operator, obstructed the anticorruption drive and evaded 166 million yuan in taxes by setting up a dummy office in Shanghai. Nanchang added (Mar. 21) that Liu Wei-ping, Shangjiao textile mill owner, as chairman of the Board of Trade, "obstructed the antiwaste, anticorruption, antibureaucracy drive by saying that the capitalist class could not be overthrown." He tried to flee, but was discovered by the workers and sent to prison. Nanchang said (Mar. 23) that drug merchant Wang Po-heng cheated his customers by using inferior drugs and "oppressed his clerks with 10 regulations."

Canton reported (Mar. 22) that Lo Wen-chia, building contractor, not only defrauded the Government of one billion yuan on school building contracts, but formed mutual alliances with Kao Nai-li and Liang Cheng-yuen to oppress workers and stop their wages for 2 months. According to Kunming (Mar. 23), many Kunming firms still were obstructing the drive, so Li Ming and Chang Fu-ling had been arrested "to teach the others a lesson."

Laxity and Rightist Thought. Hangchow reported (Mar. 19) that at a shop clerks' rally senior clerks were "urged to overcome their rightist leanings" and expose corrupt merchants, even close business or family associates. Hangchow added (Mar. 21) that in Yinhshien students had taken the attitude that scholars were above mundane affairs, and could not possibly be involved in cases of corruption, that the anticorruption drive was only for merchants and officials. Their philosophy was: "Change mountains and rivers, but not man's nature." However, after hearing reports of corruption in the schools, the students "realized the errors of their thinking," and promised to expose corrupt members of their families. Kaifeng said (Mar. 21) that cadres in the Huangchuan Special District, Honan, were instructed to "overcome their rightist leanings" in order to bring the first stage of the tiger hunt to a close and start the second stage.

Hofei stated (Mar. 19) that cadres in Pengpu, Anhwei, had been accused of laxity in promoting the drive. Yang Ching-po, head of the Pengpu branch of the People's Bank, had rightist leanings and introduced 40 cadres into the bank who were tools of capitalists. Others accused of having rightist leanings were Yang Jen-chung, chief of Tung Chu; Hsieh Shao-chung, Party propaganda chief; Lu Shun-tien, People's Bank accountant; and Chen I-ming, head of the Tunghsing Company. The local Austerity Committee also accused the Pengpu People's Court of having rightist leanings for not arresting these corrupt elements.

Canton announced (Mar. 19) that 300 clerks in Junghua Chu held a meeting Mar. 15 and urged some of their number to "wipe out their rightist leanings and fearlessly expose corrupt merchants." Kunming reported (Mar. 23) that the local Austerity Committee called a meeting of "activist clerks" and urged them not to "fall into capitalist traps."

## CASES OF CORRUPTION

**Big Tigers.** Peking announced in numeral code (Mar. 19) that 60 privately owned iron foundries in Harbin and Changchun had defrauded the Government of 30 billion yuan on contracts for farm tools. Chinchow reported (Mar. 20) that Wang Chung-fang, merchant, corrupted 70 cadres and evaded 230 million yuan worth of taxes. Yu Pao-ju and Wang Chen-ling corrupted cadres in order to get Government contracts without competitive bids. Cadreman Yu Chang-ling gave them all contracts for Government construction, at a loss to the Government of 400 million yuan. Shanghai said (Mar. 17) that Yeh Ta-wen, Tsinan merchant, evaded 750 million yuan in taxes and cheated on Government contracts. He was arrested when he refused to confess and threatened his clerks. Shanghai reported (Mar. 20) that Sa Pang-chi, Shanghai merchant, robbed the Shanghai Cooperative of 600 million yuan; Kan I-min, Hangchow contractor, built a dam at Chinhua which developed a 45-meter breach after the first rain and was completely washed away by a heavy rain Mar. 6, causing a loss of 61,000 tan of rice, flooding 300 mou of land, and causing drought on 3,000 mou; Chin Te-hai made defective insecticide pumps, causing farmers to suffer crop failure from insect plagues on 91.5 million mou; Liu Lien-fa, Nanking contractor, defrauded on cotton processing contracts; and Tai Chin-fu cheated on processing food for famine refugees.

Hangchow reported (Mar. 19) that cadres Mi Tzu-mi and Ho Te-chao of the Chekiang branch of the China Tea Company had been arrested for organizing a corruption ring which robbed the Government of 1.60 billion yuan during the 1951 tea-buying season. Hangchow said (Mar. 20) that Han Chung-sha, chief engineer in charge of construction at the Huhai Power Station, had been arrested for forming a ring to defraud the Government of 900 million yuan through the Chinhua Hsien Construction Department. Hofei reported (Mar. 20) that Wang Chieh-hsiu had been arrested for defrauding the Government of 1.8 billion yuan in building contracts for the Huannan Military District, Anhwei. He employed former Kuomintang agents and gangsters to carry out his attacks on the Government, and spent 100 million yuan to bribe cadres, extending his operations from Shanghai to Wuhu.

Wuhsi announced (Mar. 19) that "capitalistic elements" Hsu I-ming and Ho I-ming, cadres in the Wuhsien Cooperative, had been arrested for corruption amounting to 4 billion yuan in buying wheat and cotton for the Government and selling bean cake fertilizer to the farmers. They took 885 million yuan in buying wheat, 2.5 billions in buying cotton, and 216 millions in selling fertilizer. Wuhsi added (Mar. 22) that Chu Kuo-ching, "corrupt merchant turned cadre," in the warehouse of the Hsueh branch of the China Grain Company, had been arrested for embezzling one billion yuan through falsifying accounts and adulterating grain. Merchant Wu Chi-szu replaced 1,200 tons of good coal with poor coal in filling an order for coal from the Huainan Coal Administration. Wu connived with cadres in the Sunan Power Plant, Chishuiyen, Kiangsu, to defraud the Government of 2 billion yuan. Nanchang reported (Mar. 21) that Wang Han, business manager of the Ceramics College, Hsingkuo Hsien, Kiangsi, had been arrested for corruption amounting to 500 million yuan.

Canton stated (Mar. 17) that Chen Chia-an, People's Bank cadreman, had been arrested for letting merchants use the bank funds for speculation and failing to repay one billion yuan. Canton said (Mar. 19) that Cheng Shou-yuen, a cadre member of the Canton Bureau of Foreign Trade, had been arrested for "conniving with traitorous merchants" to speculate in foreign exchange at a loss to the Government of one billion yuan. Kunming reported (Mar. 20) that Chung Li-ho, Yunnan Salt Mines cadreman, had been arrested for corruption amounting to 120 million yuan in allowing merchants to speculate with Government property. Kunming said (Mar. 22) that Ma Chu-yung, head of the Makuan Hsien, Yunnan, Trading Company, embezzled 1.1 billion yuan by falsifying his accounts and regularly taking 15 catties out of each 100 catties of goods handled.

**Private Businessmen.** Shanghai announced (Mar. 17) that Yu Wan-nien, Changchou, had been detected as the leader of a ring of corrupt merchants who organized a "law study group" for finding ways to avoid taxes and plan attacks upon State enterprises. Shanghai (Mar. 20) quoted from a CHIEH FANG JIH PAO article which charged capitalists with furnishing farmers with defective materials, forcing farm prices down, and forcing prices on manufactured goods up. Liu Wen-lung, manager of the Luho Cigarette Factory, was arrested for making cigarettes which poisoned people. A school purchased 50 packs of his cigarettes and presented them to wounded veterans, all of whom immediately became sick. Shanghai (Mar. 21) told of the arrest of Chi Pen-i, a merchant who connived with cadreman Wang Chung to take Government equipment to organize the Chiating Kungyeh Factory, a private concern, which increased its capital from 180 millions to 463 millions in 3 months.



Shanghai asserted (Mar. 22) that "since the American attack upon the China mainland in 1950," the price of foreign drugs had arisen 60-70 times, "with the result that the market is flooded with fake Western drugs." As penicillin had been in great demand, the China Pharmaceutical Company supplied the market with large quantities of the drug, but corrupt merchant Pan Chung-liang organized dealers to absorb the output, and tried to prevent the State company from producing penicillin. Ma Chi-shan was charged with being the ringleader of a group manufacturing false penicillin, as well as the organizer of a firm known as the Coma Drug Company, supposed to be a foreign company which actually does not exist, to specialize in selling false quinine and other drugs. Wu Chi-min was charged with making 20 kinds of imitation drugs, utilizing brand names of long standing.

According to Hangchow (Mar. 23) Cheng Hsiao-hua, corrupt ink dealer, led a ring which corrupted Pao Kuang-ching and other cadres in the Hsinhua Printing Company and embezzled 490 million yuan. Hofei reported (Mar. 17) that Chou Chia-mou, Shucheng merchant, was the leader of a group of corrupt merchants and Tax Bureau cadres which defrauded the Government of 1.8 billion yuan in taxes.

Wuhsi reported (Mar. 17) that owners of leading pharmacies in Wuhsien connived with cadres to steal drugs from Government hospitals and offices and sell them back to the Government at high prices. Several stores also sold outdated drugs, imitations, and falsified brands. Some stores were found to have sold bogus penicillin, while the Hsinmin Pharmacy sold fraudulent jentan. Wuhsi added (Mar. 20) that Li Tzu-chung, Lo Fa-chang, and Shen Yang-mi, grain merchants, adulterated grain for private profit, and used Government grain for speculation. Wuhsien building contractors cheated on materials and labor, "seriously endangering" the National construction program. They made 150 million yuan from one bridge costing 270 millions, and 75 million yuan from another costing 170 millions. Wuhsi said (Mar. 21) that the Liberation brought a big demand for school desks, so capitalists were taking advantage of the situation. Managers of the Chincheng Furniture Company, Wuhsien, cheated on labor and materials in making desks for local elementary schools, with the result that the desks came to pieces very quickly.

Wuhan declared (Mar. 21) that Chen Hou-te, owner of the Sanho Garage, cheated on labor and materials in repairing Fire Department trucks, and stole parts and fire-fighting apparatus. The first time the repaired trucks answered a fire call they would not run and the pumps would not work. As a result 600 houses burned and 3,000 persons were homeless. Canton reported (Mar. 17) that merchants Chen Pai-yu and Wang Shao-ya had been arrested for defrauding the Government on food processing contracts. Chungking announced (Mar. 17) that in Shou Hsien, Szechwan, merchants Chen Kuang-han and Chiang Ying-wen had been arrested for manipulating the market, causing heavy losses to farmers.

Hangchow reported (Mar. 21) that an order had been issued for the arrest of Chang Ah-fu, ringleader of a smuggling ring in gold and silver shops which had smuggled 16,600 ounces of gold and 97,800 ounces of silver out of China in the past 3 years. Shanghai said (Mar. 23) that Tang Yun-pao, owner of the Taote Transport Company, Wuhsi, had been charged with being the leader of a drug smuggling ring recently uncovered in the Wuhsi Railway Station. Tang had bribed most of the railway station cadres, paying them 30 million yuan and cutting them in on the profits, and regularly shipped gold and silver to Hong Kong via Canton to buy opium and morphine "from the American imperialists and Chiang Kai-shek bandits to drug the People's China." He also handled saccharine, photographic supplies, and wrist watches, in addition to 38,500 ounces of gold, 50,000 silver dollars, 6,600 ounces of morphine, 21,000 ounces of opium and cocaine, and 880 (kilograms) of heroin in the past 2 years.

Wuhan reported (Mar. 23) that the Canton branch of the Hengyang Railway Control Bureau had arrested 13 smugglers, including Feng Chen-hsiang and Kao Yang-mei, who smuggled 140 billion yuan worth of goods in the past 2 years and evaded taxes of 67.6 million yuan. Their smuggling ring operated along the railway, with Hong Kong and Canton as the base, and Hankow, Shanghai, Tientsin, and Peking as distribution centers. Railway workers have been the chief tools of the smugglers, either through bribery or cuts in the profits. Those refusing gifts or bribes were treated with gangster tactics. For example, ringleaders Chung Wei-seng and Chung Shou-fang bribed secret agent Li Yao-pen. Kao Ya-mei corrupted Party Secretary Yeh Feng and Deputy Secretary Tung Fei by cutting them in on the profits. The drug syndicate was operated by a certain bank in Hong Kong, which recently received 5,990 ounces of morphine, and shipped 325 pounds into China. A merchants' syndicate operated the gold smuggling ring, which recently bought up 4,000 ounces of gold in China, and regularly communicated with its agents by secret

- 7 -

radio transmitters. Included in the goods handled by the smuggling ring was 4,000 ounces of morphine, 3,000 ounces of opium, 17,700 wrist watches, 6,600 fountain pens, and large quantities of ginseng.

Government Officials. Dairen announced (Mar. 18) that Chou Tao-yang, Chang Chien-chun, and Yang Ping-yuen, cadremen of the Dairen Railway Station, had been arrested for conniving with a group of merchants led by Chang Lan-shi to sell Government property. Dairen added (Mar. 20) that Chen Chi-ming had been charged with protecting corrupt elements in the Dairen Chemical Factory and had been removed. Tu Han-lin, deputy chief of the Dairen Electrical Appliances Factory, connived with corrupt merchant Liu Te-hui to defraud the Government of 100 million yuan. Tsinan reported (Mar. 21) that 40 cadres in the Hsiho Mines had been charged with corruption amounting to 4 billions, while their merchant accomplices took 2.5 billions. Sixty percent of the cadres were former members of the Kuomintang Youth Corps who infiltrated into the mine administration in 1949.

Hangchow announced (Mar. 18) that the tiger hunt had been strengthened in that city by dismissal of Sheng Hua-shi of the People's Court. Hangchow added (Mar. 19) that Pao Ya-fu and Shen Te-fa had been arrested as ringleaders of a ring of corrupt elements in local financial institutions who had dealt in 70,000 ounces of gold, 100,000 ounces of silver, and large quantities of U.S. currency. Hangchow said (Mar. 20) that (Chen Hsiu-chuan), head of the Chekiang Cultural Department, had been dismissed from his post and placed under one year's investigation by the Party. When his office gained success he took full credit, "and slighted the correct leadership of the higher levels and the Party, as well as the cadres and the masses." He indulged in extravagance, waste, corruption, and decadence, and directly grafted 2.3 million yuan, saying: "I have worked for the revolutionary cause for many years, so it is not too much for me to enjoy a little now." He allowed his cadres to graft 10 million yuan, and even hired three counterrevolutionaries as secretaries. "Without the permission of his seniors" he took his family to Shanghai to a public performance, spending one million yuan.

Yangchow announced (Mar. 21) that Ting Shi-ching, Chien Ai-lien, and Li Hsiu-i of the North Kiangsu Department of Industry and Trade had been arrested and charged with corruption. Nanchang reported (Mar. 18) that cadremen Chen Nai-kuang and Wang Jen-pei of the Fuliang branch of the China Department Store had been arrested for allowing corrupt merchants to speculate with 300 million yuan of Government funds. Huainan announced (Mar. 19) that cadres Hsu Nan-hsien, Cheng Ta-chi, and Chiang Chung-chi of the Huainan Mining Administration Hospital, leftovers from the old regime "who had not changed their corrupt tendencies," had been arrested for selling medical supplies from the Hospital to the local pharmacies and buying them back at high prices.

Wuhan said (Mar. 21) that Tang Yu, Ku Lan-ping, Chen Yu-chia, Li Kai-fan, Liu Pai-an, Liu Fu-hsing, and 9 other cadres in the Import-Export Workers Union, had been expelled for "being capitalist agents, bureaucratic, and incompetent." The Metal Workers Union expelled leading cadre members Chang Chung-liang, Chu Tso-hua, and Hua Ching-po as "capitalist agents, criminally bureaucratic, and incompetent, so that the working class struggle was greatly hindered." Kunming reported (Mar. 22) that cadres in the Maken Hsien Trading Company, Yunnan, had been arrested because they were corrupt and evaded confessions.

#### ECONOMIC PROBLEMS

Effects of Drive. A considerable number of broadcasts asserted that the anticorruption drive had increased production, or that workers now would increase production as part of the drive. Anshan claimed (Mar. 21) that workers in the Anshan Ironworks "and other shops" had increased production. Dairen asserted (Mar. 19) that workers in the Chungchang Railway and the Huaseng Tobacco Factory "increased their productive efficiency to promote" the drive. Mukden claimed (Mar. 19) that "factories in the city" had fulfilled their quotas to promote the drive, and added (Mar. 22) that the Dairen Chemical Works had increased its synthetic ammonia production 20 percent to promote the drive. Tsinan said (Mar. 23) that the Taian Farm Tool Factory completed 1,500 water wheels ahead of schedule to promote the drive. Peking reported in numeral code (Mar. 23) that workers in the Tientsin Power plants increased their productive efficiency by using "cheaper grades of coal," saving 700 million yuan in February, and salvaged 110 million yuan worth of materials from the storehouse. According to Shanghai (Mar. 22) Tsingtao textile

mills increased production because of the drive, as workers were learning new manufacturing techniques "as a result of their increased political consciousness." Shanghai asserted (Mar. 23) that after listening to the Chinese Volunteers, miners in the Chilungkang mines, Huainan, set a new coal production record Mar. 4 to promote the drive.

Hangchow stated (Mar. 19) that workers in the Chekiang Construction Company lumber mill were promoting the tiger hunt by increasing production. Hofei claimed (Mar. 18) that workers in the State Flour Mill at Pengpu rallied to fulfill their quotas and promote the drive. Wuhsi asserted (Mar. 17) that the Wuhsien Flour Mill reported a record achievement as workers increased production to promote the drive. Wuhsi added (Mar. 23) that the boiler shop of the Chishuiyen Roundhouse "made records in both tiger hunting and production" in February. Nantung declared (Mar. 21) that workers in the local No. 4 Textile Mills "will increase production of cloth above their quotas" to promote the drive. Foochow stated (Mar. 22) that the Fukien Trading Company "was carrying on normal operations" while promoting the drive, having brought in 60,000 tons of sugar and large quantities of sulfur and lime.

Other broadcasts claimed production gains as a result of recently adopted changes or revisions in management. Shanghai declared (Mar. 19) that agricultural loans in East China were 30 percent higher than last year, despite the anticorruption drive, because special personnel had been appointed by the People's Bank to carry out loan transactions. Hangchow claimed (Mar. 19) that workers in the Tungfeng Textile Mill had increased production by having leading cadres make daily inspections to see that production is maintained, and by holding evening meetings to settle problems arising during the day. Wuhsi explained (Mar. 19) that the Wuhsien branch of the China Department Store had created two managerships, one to devote full attention to business operations, and the other to carry on the anticorruption drive. Some cadres were to continue promoting the drive, but most of them would be employed in normal business operations. Wuhsi asserted (Mar. 22) that the Changchou branch of the China Grain Company would continue its normal operations while promoting the drive by "placing orders with private merchants for processing grain."

Canton stated (Mar. 17) that the Canton City Bank was increasing its operations to promote the drive by "carrying on tiger hunting after office hours and on Saturdays and Sundays." Canton added (Mar. 23) that in the Kwangtung Rubber Works 25 percent of the cadres conducting the tiger hunt had been allocated to normal business operations. Chungking announced (Mar. 21) that the Financial and Economic Committee of the North Szechwan Administrative Office had ordered its offices "to carry on normal business operations while promoting the antiwaste, anticorruption, antibureaucracy drive."

Peking declared in numeral code (Mar. 21) that the publicly operated steel and iron factory at Taiyuan, the Shansi Machine Factory, and other Taiyuan units met their January and February quotas, at the same time carrying out the anticorruption drive. This was accomplished by linking the drive with the need to maintain production, and utilizing all propaganda methods in the factories to arouse an interest in both problems. For instance, Flour Mill No. 2 broadcast to the workers each day, announcing the progress made in each drive; it was pointed out in the iron-casting section of the Shansi Machine Factory that the 10 million yuan saved by utilizing waste iron dust was less than one-30th of the amount taken by Chiang Mei-po through graft; while in this plant two of every 10 persons were placed on tiger-hunting teams, while the remaining eight "were entrusted with the duty of fulfilling the quotas of the 10 persons."

Still other broadcasts frankly admitted that the anticorruption drive had interfered with production. Mukden (Mar. 23) quoted from an article in the TUNGPEI JIH PAO which called upon State industries to allocate personnel from the drive to normal business operations, and "to reactivate private industry by placing orders with firms which had been law-abiding or whose owners confessed satisfactorily." Chinchow admitted (Mar. 23) that "due to poor leadership and laxity of labor discipline," Liaosi Machine Factory No. 70 fulfilled only 70 percent of its January and February quotas. Tsinan complained (Mar. 23) that cadres in Taian Hsien, Shantung, showed "incompetent leadership" in "permitting trade operations to come to a halt" during the anticorruption drive "and not immediately reviving them." The Hsien Party Committee had held two meetings to discuss the stoppage, "but did nothing about correcting the situation."



Hangchow stated (Mar. 18) that cadres in Tunghu Hsien, Chekiang, "had been guilty of bureaucracy and rightist leanings." A check of conditions in the hsien showed "many cadres still reticent because of complications caused by the antiwaste, anticorruption, antibureaucracy drive." Hangchow added (Mar. 21) that the State-owned Moulien Printing Works had so "overemphasized" the drive that production in January and February fell off 29 percent. Hofei (Mar. 18) quoted from an article in the HUAN NAN HUAN PEI JIH PAO which attacked leading cadres for their laxity, especially in the later stages of the drive, and "for permitting factory production to drop during the drive." Hofei (Mar. 21) quoted from an editorial in the same newspaper on the "setback to production in State industries" because of the drive. Stoppages in State industries, the editorial charged, had resulted in huge operating losses to the Government. "Also, people were without food because food bureaus had ceased to function, and much food was rotting away because responsible personnel had been removed." Even more serious was the failure of rural cooperatives to furnish farmers with their needs for spring planting, especially fertilizer.

Yangchow reported (Mar. 19) that Chief Administrator Peng of the salt district in northern Kiangsu called workers together and admonished them to "use the energy which they were putting into the antiwaste, anticorruption, antibureaucracy drive in promoting salt production in accordance with the plans he had mapped out." He urged workers to increase production to "overcome the deficiencies caused by cadres devoting their attention" to the anticorruption drive. Foochow declared (Mar. 22) that in Linhou and other Fukien hsien the cadres had "caused general confusion among the farmers" in their promotion of land reform, the anticorruption drive, and spring farming. "Cadres have refused to lead the farmers in spring planting because both had been adjudged corrupt, or had cases pending," and had been so taken up with the anticorruption drive that "farm work has been entirely neglected."

Wuhan announced (Mar. 17) that textile, flour, and towel-processing factories in Wuhan had "resumed operations." Wuhan said (Mar. 21) that "after the arrest of corrupt owners" of the Wuhan Coal Mining Equipment Company, workers had taken over management of the 36 machine shops. "In order to demonstrate that capitalist managers are expendable," the Wuhan Bureau of Trade and Industry had placed large orders with the shops. Chungking announced (Mar. 23) that trading organizations in northern Szechwan were continuing the tiger hunt, "along with the resumption of normal operations."

Shortages and Calamities. Tsinan announced (Mar. 18) that 50 billion yuan worth of relief grain would be doled out by Shantung cooperatives before the middle of April, broken down as follows: Techou, 30 million catties; Taian, 12 million; Tenghsien, 8 million; Ichui, 5 million; and Tsinan suburban areas, Weining, and the Lini area, 200,000 catties each. Tsinan said (Mar. 19) that 18,298 persons in Loling Hsien were living under famine conditions because of crop failures, with cadres instructed to help farmers to live by "taking up subsidiary productive work." Yu Feng-hsiang, village chief, and Chen Feng-jen, landlord, were accused of exploiting Wang Feng-chiang, a famine victim in Huang Hsien.

Hangchow reported (Mar. 21) that in order to "tide farmers over the early spring period," the Chekiang People's Bank was issuing short-term cost-of-living loans of more than 6 billion yuan. Kaifeng stated (Mar. 18) that the Honan Government issued a directive Mar. 12 calling upon local organizations to "finance sidelines" for famine sufferers. The Chanhou Hsien Cooperative had placed orders with farmers for various handicraft goods. Wuhan said (Mar. 17) that the Tayeh Party Committee had ordered cadres to make a close inspection of all farming areas, "as many farmers already are suffering from famine." Wuhan reported (Mar. 21) that the Kwangtung Government had issued a directive to relief organizations on steps to "overcome spring famine." Hangchow stated (Mar. 18) that the Yinhhsien Office of Production and Drought Prevention had directed farmers to save wheat and cotton crops by draining water from the fields and applying fertilizer, and "urged the planting of potatoes to alleviate spring famine conditions."

Nanchang announced (Mar. 19) that local cadres had been instructed to take the lead in flood prevention and dike inspection "in view of rising water levels due to heavy rains." Nanchang added (Mar. 21) that in Hsienching Hsiang, Chian Hsien, Kiangsi, more than 2,000 mou of rice lands suffered from drought last year through the failure of irrigation facilities. Wuhsi reported (Mar. 19) that cadres in rural areas had been mobilized to fight flood waters which had inundated wheat fields. In Chiangning and Icheng Hsien drainage ditches were being built. Foochow said (Mar. 23) that peasants in Minhou Hsien, Fukien, had organized drainage teams to clear water from 400 mou of wheat lands, and that in the Chieno and Chungan Special Districts 50 percent of the wheat fields were flooded from recent heavy rains and affected by wheat rust.

- 10 -

Dairen announced (Mar. 21) that the Dairen Department of Agriculture had issued a directive on the eradication of wild dogs. Hangchow stated (Mar. 18) that cadres in the Yinhsien Special District, Chekiang, had been ordered to check on farmers who had allowed their work oxen to die, 8 having died in Jihhsien in one day, and 12 having been reported killed in one snow storm in Chuchi Hsien. "Many farmers have let the oxen die to collect the insurance," but since cadres have refused to allow such insurance, the "losses have been great" to the farmers. Foochow said (Mar. 19) that an aphid plague had been reported from Chu 1, Changpu Hsien, Fukien. Foochow added (Mar. 20) that cholera among hogs had resulted in 1,300 deaths in Chu 4, Minho Hsien; 400 in 6 hsiang of Loyuan Hsien; 200 in Kuangtse Hsien; and 1,900 deaths in Chungan Hsien.

Mukden announced (Mar. 22) that the Governments of Sungchiang and Heilungchiang Provinces had issued directives on forest fire prevention. Chungking reported (Mar. 17) that in Kweichow, Sikang, and western Szechwan, 15 recent forest fires had caused huge damage, amounting to 150 million yuan in two hsien alone. Hangchow declared (Mar. 17) that personnel in the Wansheng and Kungsheng Hemp Mills, Chekiang, had been accused of buying up hemp seed to obstruct the hemp-growing program and cause a seed shortage.

Agricultural Production. Peking announced in numeral code (Mar. 21) that the East China Military and Administrative Committee had issued a directive calling for a "mass patriotic emulation campaign in increasing agricultural production," in an effort to bring about increased production in the various crops, and new production records in specific crops. Considerable attention to plans for increased production, steps to guard against flood and drought, use of ample fertilizer supplies, and organization of mutual-aid teams, were noted by regional broadcasting stations throughout China. Cadres were urged to take the lead in getting spring farming started, and to perfect local farm organizations.

Peking announced in a home service broadcast (Mar. 17) that the Central Ministry of the Interior had issued a directive calling for immediate inspection of progress in "substitute plowing" activities, to insure that families of martyrs and servicemen would complete their spring plowing on schedule, and repeated the announcement on later broadcasts. Shanghai said (Mar. 22) that the Yencheng District had issued a directive calling upon all hsien to "organize the dependents of Armymen for production" by helping them with their farm work. Yangchow reported (Mar. 19) that an agricultural instruction team was touring the villages in the Huangchao State Farm area of northern Kiangsu to "teach the farmers modern farming methods."

Attention also was given to financing of spring farm operations. Hangchow announced (Mar. 21) that the Chekiang People's Bank had been instructed to extend loans to farmers for spring operations. Nanchang reported (Mar. 21) that the Kiangsi People's Bank had issued 20 billion yuan in loans to assist farmers with spring operations. Nanchang added (Mar. 23) that peasants in Yungfeng, Fouliang, and other Kiangsi hsien had been given farm loans, and "in addition unrestricted lending and borrowing were encouraged among the villagers." Wuhan said (Mar. 17) that in Central and South China loans for fertilizer were seven times greater than in 1951, and that farmers had bought 3 million catties of insecticides. Chungking stated (Mar. 21) that in Yunnan Province the Government had allocated 600 million yuan to the hsien for irrigation projects.

Some difficulties in getting spring production started were evident in broadcasts. Tsinan announced (Mar. 19) that cadres in Chimo Hsien, Shantung, had been bureaucratic and had failed to carry out the spring farming program, and that new cadres had been sent to take the lead. Hangchow reported (Mar. 17) that in Chuchou Hsien, Chekiang, villagers "were demanding more leadership," so cadres had been ordered to take a more active role in working with them, and to give the spring farming program preference over the anticorruption drive. Hangchow added (Mar. 23) that in the Chinghua Special District, Chekiang, the Office of Drought Prevention and Farm Production had charged the cooperatives with failure to provide fertilizer, as most of the 6,962 cooperatives had no fertilizer at all, and only one had sold as much as 1,249 catties.

Yangchow reported (Mar. 23) that farm supply companies in Pienhai Hsien, northern Kiangsu, had called a meeting of farmers to determine their needs, as they had "demanded a more accessible supply of food grains, bean cake fertilizer, bean oil, kerosene, matches, tung oil, and cloth." Wuhsi stated (Mar. 20) that peasants in Sungchiang, Wuhsien, and Changchou, Kiangsu, had now "overcome their complacency," and were being mobilized to build irrigation systems. Sian announced (Mar. 20) that the Ningsia Province Party Committee had called a meeting of rural cadres to implement the spring production program "by wiping out rightist leanings among the cadres."

- 11 -

Organizational Difficulties. Shanghai announced (Mar. 18) that the East China Military and Administrative Committee met and appointed a group of 13 as a "Management and Control Committee" to handle the reorganization of productive enterprises directed by small governmental units. It had been announced earlier that these productive enterprises would be reorganized, with the hsien forming the smallest control unit. A temporary organization for the East China People's Court "to take action against corrupt criminals" also was outlined, and forwarded to the Central Government at Peking for approval. Peking announced in a home service broadcast (Mar. 21) that starting Mar. 25 passenger and freight charges on all railways of China except the Kunming Railway would be unified.

Hangchow complained (Mar. 19) that in Chenhai Hsien, Chekiang, trade in native and special products such as tea, tung oil, and bristles, was at a standstill, "affecting the production and living of the farmers." Farmers in the hsien were said to have 8 billion yuan worth of these products for sale, enough to buy 40 million catties of rice and other grains and feed the people for one month. Causes of the trade breakdown were said to be shortage of purchasing power, lack of cooperative funds, and lack of understanding of transactions and sales on the part of the cadres. Nanchang declared (Mar. 18) that Party cadres in the rural areas of Shangjao Hsien, Kiangsi, had called a meeting of peasants to "correct their misunderstanding" of the Government's "free lending and borrowing policy."

Peking said in numeral code (Mar. 17) that units of the People's Liberation Army in Lhasa, Tibet, "have enthusiastically unfolded a large-scale spring production movement," had been carrying fertilizer from the river, were building a ditch 8 li long for irrigation, and were "turning the virgin land of many years into good fields." Peking asserted in numeral code (Mar. 20) that 38 leather workshops in Changtu, Sikang, "which were squeezed out of business by imperialist goods," had received loans, rehabilitated their business, expanded production, and now had markets as far away as Lhasa.

Yangchow said (Mar. 17) that irrigation works along the Huai River near Yencheng were 80 percent completed, but that 40,000 workers "have left for their homes to engage in farm production." The same radio stated (Mar. 23) that the Yencheng Special District had reported 99.5 percent of the project completed, and "45,000 workers released." Yangchow stated (Mar. 17) that 50 medical workers from the North Kiangsu Special District had left Yangchow for duty among the Huai River workers. Peking announced in a home service broadcast (Mar. 22) that the Huai River harnessing projects was in full swing along a distance of 1,000 meters, with one million laborers employed.

Wuhan announced (Mar. 18) that the Central and South China Government had approved the proposal of the Changchiang Conservancy Committee to control the waters of the Chingchiang River. Wuhan added (Mar. 19) that all cadres had been directed to assist with the Chingchiang project, especially the resettlement of the farmers that must be removed from the area.

#### WAR PROBLEMS

Corrupt Contractors. Dairen asserted (Mar. 17) that shop clerks of Chungshan Chu had been studying documents on corrupt merchants who cheated on Army contracts, "and now realize the importance of the struggle against corrupt capitalists." Shanghai claimed (Mar. 22) that Liu Chien-yung, southern Kiangsu model farmer, represented "broad circles" in the area when he wrote a letter denouncing "those agents of the American imperialists," the merchants and contractors "who defrauded the Government on Army contracts and sabotaged the Chinese Volunteers." Hangchow asserted that large crowds flocked to the Resist-America, Aid-Korea Association exhibit of evidence against corrupt merchants "who endangered the People's Volunteers by cheating on Army contracts for supplies."

Chinchow announced (Mar. 19) that Wang Chien-chung had been charged with cheating on labor and materials to defraud the Government of 200 million yuan on repair contracts for Army trucks, "and in addition endangered military operations at the front." Wuhan reported (Mar. 20) that Chou Han-chou of the Central Bakery in Wuhan had been arrested for defrauding the Government of 800 million yuan on Army food contracts. He failed to fulfill his contract after receiving the materials, and of seven soldiers who ate his food, five became sick.

Kunming announced (Mar. 18) that Yang Teng-shan, Chu Chung-li, and Yang Ming-tan had been arrested for selling Government property, including national defense equipment such as plane engines. They took large numbers of airplane motors from the Kunming Airfield, and in addition took large quantities of metals and melted them down for resale. Kunming said (Mar. 23) that Wu Chang-kuang and his accomplices destroyed large quantities of national defense materials. They bribed workers in an armory to destroy a 2,300-horsepower motor, and spent 3 months removing goods from 30 warehouses to prevent their use by the People's Liberation Army. They also sabotaged the 1951 mineral production program by developing private mining.

Bacteriological Warfare Propaganda: Peking announced in a home service broadcast (Mar. 17) that "American air bandits continue to spread large quantities of germ-bearing insects." The statement, which was repeated on a number of broadcasts Mar. 18 and continued Mar. 19-21, claimed that 75 American planes were over Northeast China Mar. 16. A long article, "General Knowledge for Defense Against Bacteriological Warfare," was transmitted in numeral code. This article, said to have been prepared by the China General Medical Association, went into great detail to describe various forms of bacteria and methods for transmitting them, repeated the story of Japanese use of bacteriological warfare in China in 1940, repeated the story that America distributed potato beetles by plane in East Germany, and asserted that the United States hired Japanese and German bacteriological warfare experts, instead of punishing them as the USSR did. Brief extracts from the article follow:

After suffering big defeats on the Korean battlefield, American imperialists recently violated human justice and international law by carrying out bacteriological warfare and spreading bacteria-laden insects and other poisonous articles over Korea and Northeast China. This inhuman and appalling crime can never be tolerated by our great Chinese people, the Korean people, and the people of the world. We must demand punishment for the American imperialists who carried out bacteriological warfare and we must unite together to smash this warfare of the American aggressors.... Like the Japanese devils, the American imperialists started the preparatory work for bacteriological warfare at a very early date, and were even more poisonous-minded than their Japanese counterparts. Early in 1943 the U.S. Government established the Biological Warfare Commission under the War Department, setting up bacteriological murder factories in several places.... The most ferocious and brutal of these (experiments) was the experimentation on the bodies of our Chinese and Korean People's troops who were captured.... American forces sailed to Wonsan port in Korea and made bacteriological experiments on captured People's Volunteers...also on Kojima Island, as admitted by reactionary American reporters. (Peking, Chinese Numeral Code, Mar. 17)

The article charged that the Americans first used bacteriological warfare when retreating from North Korea, infecting 3,500 persons with smallpox and causing 300 deaths. On Kojima Island of the 25,000 persons captured, 80 percent became seriously ill. Recently, American planes had been dropping germ-laden insects on North Korea since Jan. 28, and in China since Feb. 29.

Reports of protest meetings and of protests against American bacteriological warfare were monitored from Dairen, Mukden, Peking, Hangchow, Nantung, Nanchang, Foochow, and Canton, most of them from Mukden and Dairen. Groups reported as protesting were students, peasants, dependents of servicemen, religious groups, and "people of all circles," or the "broad masses." Dairen asserted (Mar. 21) that the Dairen Catholic League filed a protest. Mukden said (Mar. 17) that representatives of the Mukden Catholic Reformation Committee, the St. Joseph Society, and the Northeast General Assembly of the Church of Christ in China had protested, and also had pledged to step up the reformation campaign among religious groups to "eliminate American agents." Nantung (Mar. 19) broadcast Vyshinsky's attack upon American bacteriological warfare in the United Nations. Canton warned (Mar. 23) that "the broad masses must train themselves" to combat bacteriological warfare, for, although "world opinion has attacked this inhuman act, yet American imperialism knows no bounds."

- 13 -

Units Fighting Germ Warfare: Mukden reported (Mar. 21) that rural districts in Northeast China had successfully organized emergency sanitation and health units, and with the active participation of all groups, including the farmers, a plague-prevention and insect-elimination campaign was rapidly unfolding, with 52 hsien and 50 chu health clinics set up. Dairen announced (Mar. 22) that the entire student body of the Dairen Medical College was at work giving vaccinations to the masses, fighting spring epidemics "in reply to the spreading of germs by the U.S. Forces." Tsinan asserted (Mar. 20) that in spite of heavy rains Mar. 18, insect eradication teams in Tsingtao continued at their task of cleaning up germs dropped by the Americans. Shanghai reported (Mar. 18) that antibacteriological warfare committees had been organized in Tsingtao and Nanking. Wuhan announced (Mar. 19) that the Central and South China Plague Prevention Committee held its first meeting Mar. 18 under the chairmanship of Teng Tzu-hui. The Committee had 25 members, including Vice Chairmen Chao I-min and Chao Erh-lu, Administrative Chief Chi Chung-huan, and Deputy Administrative Chiefs Hu Shen-chi and Yao Ko-fang.

Tsinan declared (Mar. 19) that students in the Shantung Army Medical School, and workers in the hospitals of the school, adopted a resolution Mar. 17 "to volunteer for immediate service at the Korean front to combat American bacteriological warfare." Peking reported in numeral code (Mar. 23) that 500 medical workers were at the Tientsin Station Mar. 21 to encourage the 5th Battalion, Tientsin Resist-America, Aid-Korea Medical Volunteers, as they left for Korea. Hangchow said (Mar. 19) that, "in response to the call for volunteers for the Korean front," medical workers in the Hangchow Railway Hospital had gone to Korea to combat bacteriological warfare.

Wuhsi announced (Mar. 21) that medical workers in Wuhsien had sent a letter to the Peking JEN MIN JIH PAO offering to volunteer for service at the Korean front to combat American bacteriological warfare. Wuhan reported (Mar. 21) that 33 medical students in the Wuhan Medical College, medical students in Kaifeng, Chengchow, and various cities in Hupeh Province, all had volunteered for service at the Korean front. Chungking reported (Mar. 22) that 30 persons from Chengtu and western Szechwan had volunteered for antibacteriological warfare service in Korea. Chungking added (Mar. 23) that the number of health workers in Chengtu and western Szechwan who had applied for permission to join the Resist-America, Aid-Korea Antiplague Corps had reached 3,094, some of them already prepared to depart, with medical supplies.

#### LAND REFORM

Wuhan reported (Mar. 22) that in Hunan Province meetings were held "to overcome cadres' rightist thought," as land reform had not been successfully carried out in some hsien. In Hupeh Province the Party Committee warned cadres "to keep close to the masses and firmly hold on to the leadership," and to avoid "rightist leanings" and misconduct in carrying out their duties. It was said that 260 Hupeh hsien will complete their land reform this spring with the confiscation and distribution of landlords' assets. Nanchang announced (Mar. 21) that 33 cadres in Lichuan Hsien, Kiangsi, had been charged with laxity because they gave all their attention to production and failed to engage in political activity. Rural cadreman Hsiung Chi-hsiang attended only two meetings in 3 years, and hid landlord Li Liu-chi in his own home when the other cadres supposed he had fled.

Nanchang asserted (Mar. 23) that in Chu 6, Hsinkan, Kiangsi, the landlord class had been smashed, largely through utilization of the People's Court. Since November 1951 trials had been held for 11 "ruffian landlords," who gave up 120 ounces of gold, 10,000 silver dollars, and 200 million yuan worth of property, which "basically solved the livelihood difficulties of the poor farmers." Kunming said (Mar. 20) that in Fuhai Hsien, Yunnan, the peasants had refused to be won over by landlords, and had "continued their struggle to liquidate" the landlord class.

Hangchow complained (Mar. 21) that indoctrination of peasants by rural cadres had been necessary in Yungchia, Chekiang, because peasants who received land "were only interested in selfish production, and were beginning to accept rightist leanings of reactionary landlords and counter-revolutionaries." Wuhan reported (Mar. 22) that the Land Reform Committee of Hunan Province had issued a directive Mar. 15 prohibiting land reform cadres from taking meals at the expense of hsien governments, as a result of complaints from Wangchung Hsiang, Changsha, and Fanchi Hsiang, Hsiangtan Hsien, that cadres had been regularly taking all their meals with the local governments. Nanchang declared (Mar. 20) that cadres in Shangjao and Lichuan Hsien, Kiangsi, were leading the farmers in the struggle against landlords and reactionary elements, but that cadres in Fuliang Hsien were "struggling to overcome the superstitions of the peasants."



Chungking announced (Mar. 17) that farmers in Nanchuan and Hochiang Hsien, Szechwan, had organized a special patrol corps to guard against landlords' destroying property and setting fire to grain warehouses. Kunming complained (Mar. 19) that Chou Hsueh-chuen and Han Te-chun, landlords in Szumao Hsien, Yunnan, sabotaged farm production by corrupting farmers through wining and dining them, and by joining farmers' associations under false names. Kunming reported (Mar. 23) that in Wangtao Hsien, Yuchi Hsien, Yunnan, a struggle rally against "reactionary landlord" Wang Chin-jui was recently held, and that the peasants had "finally succeeded in overthrowing the landlords, who had regained their powerful position after the departure of the land reform cadres." In Pengpi Hsien the Party Committee recently called a meeting of farmers to distribute goods confiscated from landlords; to indoctrinate the farmers on the land reform movement; and to "urge those with rightist leanings" to give full support to the land reform program.

#### ISCELLANEOUS

Newspaper Failures. Shanghai announced (Mar. 17) that the local CHIEH FANG JIH PAO "strongly criticized" the Wuhsi SUNAN JIH PAO for its negligence in handling an important news story on action taken by the East China Party Committee against seven Party members, including (I Lu-ping), southern Kiangsu "lawless landlord." The Shanghai paper had carried the story in full Mar. 15, but the SUNAN JIH PAO said nothing until Mar. 17, and then offered no comment on the action. The CHIEH FANG JIH PAO demanded that the SUNAN JIH PAO and the Wuhsi Party Committee "carry out public criticism and correct the error," declaring that the "chief task of a newspaper is to educate Party members and revolutionary people in Marxism-Leninism and Mao Tse-tung ideology. All newspapers in East China must carry this Party action news for reaction inside and outside the Party." Wuhsi said (Mar. 19) that the SUNAN JIH PAO on Mar. 18 carried articles and editorials "voicing its acceptance of the criticism" made by the Shanghai paper; confessed to "serious political shortcomings" in its failure to carry the story; and admitted that the "political consciousness of its staff should be increased to avoid any such mistake in the future."

Counterrevolutionaries. Dairen claimed (Mar. 17) that as a result of the successful action against counterrevolutionaries, 10,000 active cadres had been developed in Chinghsien, formed into local militia units and mutual-aid teams. Hangchow reported (Mar. 17) that engineers in the East China Sea Frontier Command had been commended following their recent capture of a junk loaded with guns and ammunition and 13 "pirates." This success followed a similar one Mar. 8, and an engagement Mar. 29 in which 6 pirates were killed and 18 captured. Nanchang reported (Mar. 23) that the KANGCHIANG JIH PAO carried a story on the capture in Chinglungssu, Szumai Hsien, Hunan, of Chung Cheng-ching last October. Chung, who had been hiding in Changte, was commander of a brigade in Kiang Kai-shek's forces during the 1934 encircling campaign, and succeeded in capturing and executing Fang Chi-min, commander of the old Kiangsi revolutionary base.

Hangchow stated (Mar. 21) that the People's Court in Changpu Hsien, Fukien, sentenced Chu Pao-chang to death Mar. 8 for beating to death his wife, Wang Ling-chiu, for fear she would expose his counterrevolutionary activities. Foochow asserted (Mar. 23) that since last December the militia training at Fuching had greatly increased its political vigilance, and "the lethargy caused by the misconception that the revolution had succeeded has been basically eliminated." The militia had posted regular sentries along the coast, captured 20 "bandits and special agents," and 30 caches of firearms belonging to counterrevolutionaries. Kunming announced (Mar. 19) that the Kungtzu Special District, Yunnan, had set up a farm production office, which would have as one of its duties the preventing of counterrevolutionaries from sabotaging the farm production program.

National Minorities. Peking in numeral code (Mar. 20) quoted Deputy Chief Pai Chi-erh of the Kungtu-Hsianghuang Banner, Chahar League, as saying livestock in his banner had increased from 100,000 to 150,000 since the Liberation. His people traveled 70 to 80 li to welcome the touring Chinese Volunteers, and, "many nomads and students immediately requested permission to go to the peace battlefield." Chief Tu-ku-erh of the Silingol League was quoted as saying: "We shall resolutely repulse the fanatic attacks of the capitalist class on the prairies, and wipe away the influence of capitalist thought, and eliminate all corrupt elements." Peking in a home service broadcast (Mar. 21) said that the visiting delegation of various nationalities from Southwest China arrived at Peking Mar. 19 and adopted a protest against American use of bacteriological warfare.

Green Belt. Shanghai announced (Mar. 22) that cadres of the East China Military and Administrative Committee had been busy on "China's first plan for remaking nature," the planting of a forest 1,000 li long along the coast of northern Kiangsu. The belt would require 440,000 seedlings, and occupy 60,000 square li of area, and would be completed in 1958.